GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:431
ANSWERED ON:07.07.2004
DEVELOPMENT OF SSI UNITS
Mehta Shri Bhubneshwar Prasad

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether the Union Government has drawn up any guidelines for the development of SSI units in the country particularly in Jharkhand;

(b) if so, the details thereof;

(c) whether the closed SSI units in Jharkhand are likely to be reopened;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a) & (b): The development of Small Sale Industries is primarily the concern of respective State Governments/Union Territories. The Central Govt. supports and supplements the efforts of the state Governments/Union Territories through implementation of various schemes and programmes relating to enhanced fiscal and credit support/better infrastructure, marketing facilities and incentives for technology upgradation. These schemes/programmes are being implemented across the country including Jharkhand.

(c) to (e) The Government is fully seized of the problem of industrial sickness amongst the SSI units and has taken various steps to facilitate timely identification and rehabilitation of potentially viable sick industries including institutional mechanism in the form of State Level Inter-Institutional Committees, Special Rehabilitation Cells in banks and State Financial Institutions. Elaborate guidelines have been issued by the Reserve Bank of India(RBI) for extending rehabilitation assistance to eligible units. Further, based on the recommendations of the Working Group set up under the Chairmanship of Shri S.S. Kohli, the RBI has drawn up revised guidelines for rehabilitation of sick SSI units, which include, inter alia, change in the definition of sick SSI units, norms for deciding on their viability, concessional finance, etc. The RBI has circulated the revised guidelines on 16th January, 2002 to all the Scheduled Commercial Banks for implementation. The revised criteria will facilitate the banks to detect sickness at an early stage and take corrective action for revival of the potentially viable sick SSI units.

Further, the Government of Jharkhand has constituted an apex body under the Chairmanship of Secretary (Industries) for revival of closed and sick SSI Units in the State.